

NO: R234

COUNCIL DATE: November 18, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 14, 2024**

FROM: **Acting General Manager, Planning & Development** FILE: **1855-03 (HAF)**

SUBJECT: **Introduction of Development and Permit Approvals Targets**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information; and
2. Endorse staff to implement Development and Permit Approval Targets and the necessary process improvements to reduce development application and building permit issuance timelines by a minimum of 30% as shown in Appendix “I”.

INTENT

The intent of this report is to propose Development and Permit Approval Targets aimed at reducing approval timelines by a minimum of 30%, and to provide Council with an overview of the land development approval process key improvement areas, including the impact of deficiencies on these target timelines.

BACKGROUND

In 2021, the City launched the Guaranteed Permitting Timeline (“GPT”) Program, focusing on processing times for simple rezonings, rezonings with development permits (“DPs”), single-family building permits, and tenant improvement building permits. This program focusses specifically on timelines that are fully within the City’s control.

In December 2023, as part of the approved Housing Accelerator Fund (“HAF”) Action Plan, Initiative #2 set a goal to expand the GPT Program and improve processing times for a wider range of development types, including townhouses, low-rise, and high-rise projects.

In 2024, under the Surrey Excels strategic framework, the City set ambitious goals to reduce development application and building permit approval times by a minimum of 30%. The current GPT Program timelines are updated weekly and available on the City’s website at www.surrey.ca/permittimelines.

Since the introduction of the HAF, several key process enhancements have been implemented to further reduce approval timelines, including:

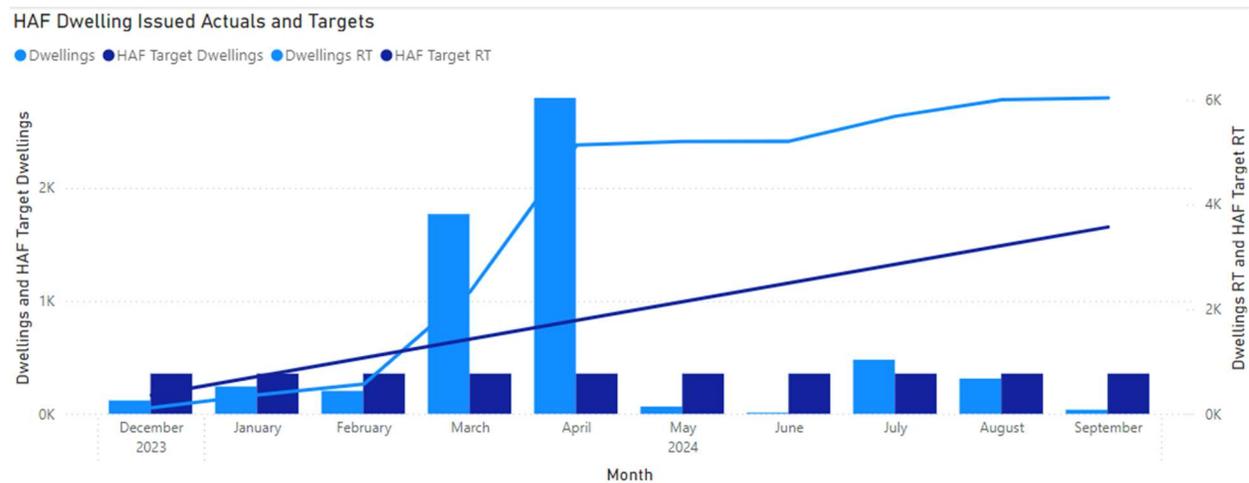
- *Contract Award to Archistar*: Implemented an automated rule-based zoning bylaw compliance tool to streamline zoning reviews.
- *Revamped Permitting Portal*: Improved the Online Development Inquiry system, adding online trade permitting and inspection request capabilities.
- *Stormwater Drainage Policy Revisions*: Updated policies for single-family lots to simplify stormwater drainage requirements.
- *Incentive Programs*: Launched the Rapid Transit and Non-Market Rental Housing Incentive Programs to accelerate these priority developments.
- *Development Inquiry Assistance Tool*: Enhanced support for zoning and development inquiries.
- *Pilot Program for Early Permit Submission*: Introduced a pilot allowing early building permit submissions for single-family homes before subdivision approval.
- *Advisory Design Panel Process Updates*: Revised the process to expedite project approvals for projects requiring design review.

DISCUSSION

Housing Delivery Target

Through the HAF commitment, the City set an ambitious target to increase housing starts by 27% via building permit issuance. To date, the City has exceeded this goal, with building permit data showing 84% above target, and with 2024 expecting to set a new record for housing starts, surpassing the prior record set in 2019.

Table 1 – HAF Housing: Delivered and Targeted



While housing starts have increased significantly, concerns remain around development and permit approval times, highlighting the need for a more comprehensive approach to further streamline processes.

The Guaranteed Permitting Timeline Program

The GPT Program, introduced in 2021, sought to improve the speed and predictability of the land development approval process, reinforcing the City's commitment to developers and addressing housing accessibility and affordability in Surrey.

The intent of the GPT Program was to provide developers confidence that the City will strive to meet permit processing targets in partnership with applicants; however, while the GPT Program effectively manages processes within the City's control, feedback has shown that the overall development application approval experience—measured from application date to approval—remains lengthy. Figures 1 and 2 below illustrate key milestones for single-family development (for rezoning approvals and building permit issuance) and show that, in most cases, the overall applicant experience is significantly longer than the GPT Program commitment, largely due to application deficiencies.

Figure 1: Single-Family Rezoning GPT and Applicant Experience

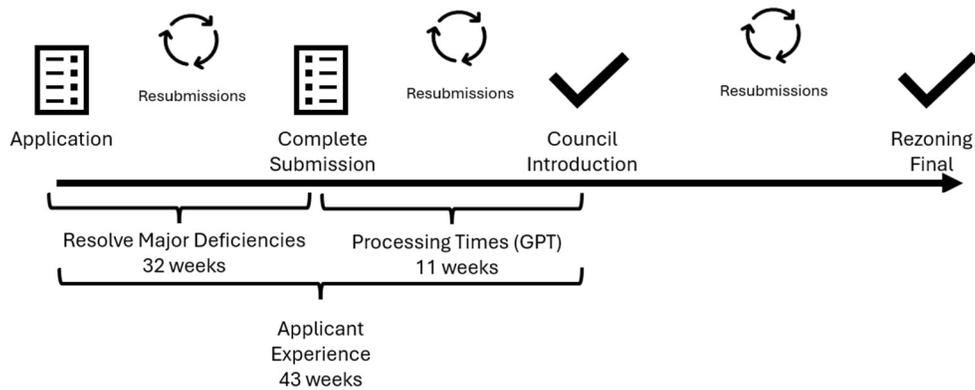
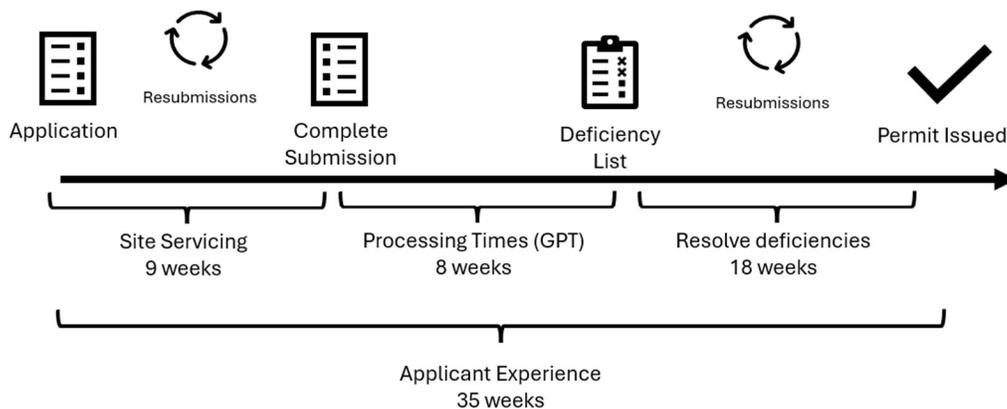


Figure 2: Single-Family Building Permit GPT and Applicant Experience



Impact of Deficiencies

Since 2021, the City has experienced a substantial decrease in the quality of submissions, including single-family building permit applications, with over 80% of applications containing the types of deficiencies that are considered significant. An analysis of common deficiencies in single-family building permit applications revealed that issues around compliance with the Zoning By-law are the most common, particularly relating to building height, setbacks, and upper floor massing. Rezoning applications also suffer from prolonged negotiation periods, as applicants and staff work to achieve supportable applications.

The impact of deficiencies on applications cannot be understated. This problem has led to added pressures on staff to perform multiple reviews on the same applications which, in turn, limits staff's ability to commence reviews on new applications, thereby delaying the overall application review process for multiple applications in the queue. The cumulative impact includes delayed development approvals and permit issuances, not only for the projects containing deficiencies but for all applications, and a general slowing down of the process for all customers.

Process Improvement and Reporting

In order to ensure meaningful, effective, and sustained reduction to the development and permitting processes, staff have shifted focus to improving the applicant experience in its entirety (the total time from application submission to approval). The new approach will measure the complete applicant experience, from submission to formal approval—including continued tracking of the GPT as a milestone datapoint within the City's control—while focusing to influence larger factors outside its control to drive down approval times by a minimum of 30%.

Significant analysis has been conducted with an objective of gaining a thorough understanding of the current applicant experience and, in particular, the bottlenecks in the City's processes that detrimentally impact application timelines for development and permit applications.

Next Steps

Process Improvement and Reporting

In early 2025, staff will update the City's permit timelines on the website to reflect the expanded applicant experience approval times.

Achieving a minimum 30% reduction in development and permit approval times will require a collaborative approach, addressing application deficiencies through enhanced policies and procedures, and identifying applicant submission timelines.

Several process improvement opportunities have been identified as part of the HAF, such as:

- Expanding the use of Professional Reliance and Implementation of the Certified Professional Program review recommendations.
- Formalizing pre-application practices to ensure smoother reviews.
- Updating application checklists to clarify minimum submission requirements.
- Continued implementation of technology for digital permitting and process automation.

While these enhancements are expected to improve efficiency, the full benefits of the process improvements on the applicant experience will be realized over time. As practices become embedded, applicants can expect more consistent and streamlined interactions, but gradual adjustments may occur as new processes are fine-tuned and refined.

As part of the ongoing commitment to enhancing the applicant experience, managers will regularly review timelines to ensure they align with the program's objectives. This will include assessing and, if needed, adjusting timelines to maintain the program's intent. When new application types are introduced, new Development and Permit Approval Targets may be required to accurately reflect the processing needs. These minor adjustments to the target timelines will be introduced, as needed, by the General Manager of Planning & Development, to ensure consistency and transparency for all stakeholders. This approach will allow for adaptive management while staying true to the program's goals of efficiency and enhanced service delivery.

In addition, further process improvements established through the Development Approval Process Improvement Task Force will be introduced into the improvement roadmap for inclusion. These improvements will build on the Development and Permit Approval Targets, supporting an efficient, effective, and responsive service for applicants. The targets will be adjusted over time, as new process improvements contribute to even further timeline reductions.

Council will receive semi-annual progress reports to track trends and performance of these new Development and Permit Approval Targets.

CONCLUSION

This initiative, funded by the HAF, is the result of significant staff analysis and represents a key milestone in the City's Action Plan to improve development processes. It is recommended that Council endorse the proposed Development and Permit Approval Targets, as outlined in Appendix "I", to set a renewed vision for enhanced efficiency and service delivery. These targets are expected to further improve housing accessibility in Surrey, soon to be BC's largest city.

Original signed by
Ron Gill, MA, MCIP, RPP
Acting General Manager, Planning & Development

Appendix "I" Development and Permit Approvals: Current and Proposed Targets

APPENDIX “I”

Development and Permit Approvals: Current and Proposed Targets

Rezoning Applicant Experience Times

Calculated from Application to Council Introduction

Project Type	Current Applicant Experience	<i>Development and Permit Approval Targets</i>	
		Proposed Applicant Experience	Proposed Applicant Experience Reduction
Single-Family/SSMUH	43 weeks	25 weeks	Overall, 30% reduction goal
Townhouses	67 weeks	40 weeks	
Low-Rise	54 weeks	45 weeks ¹	
High-Rise	54 weeks	50 weeks ¹	

Building Permit Applicant Experience Times

Calculated from Application to Building Permit Issuance

Build Type	Current Applicant Experience	<i>Development and Permit Approval Targets</i>	
		Proposed Applicant Experience	Proposed Applicant Experience Reduction
Single-Family/SSMUH	27 Weeks	20 Weeks	Overall, 30% reduction goal
Townhouses	44 Weeks	30 Weeks	
Low-Rise	66 Weeks	45 Weeks	
High-Rise	88 Weeks	60 Weeks	
Minor Tenant Improvement			
Tenant Improvements	18 Weeks	12 Weeks	
Industrial/Commercial	48 Weeks	35 Weeks	
Certified Professional and Public Interest Projects	N/A	30 Weeks	
Electrical and Plumbing	0.6 week	2 Weeks	